

LINCOLN CITY/LANCASTER COUNTY PLANNING STAFF REPORT

for October 27, 2004 PLANNING COMMISSION MEETING

P.A.S.: Comprehensive Plan Conformity #04009
Amend FY 2004/05 Capital Improvement Budget to include
Southeast 345 kV Substation Project

PROPOSAL: The Lincoln Electric System (LES) has requested a review of the Southeast 345 kV Substation Project for conformance with the Comprehensive Plan for the purpose of amending the Fiscal Year (FY) 2004/05 Capital Improvement Budget.

CONCLUSION: The Southeast 345 kV Substation Project conforms to the goals of the Comprehensive Plan. The Comprehensive Plan identifies a number of implementation strategies that support the finding that the Southeast 345 kV Substation Project is in conformance with the Comprehensive Plan.

<u>RECOMMENDATION:</u>	In conformance with the Comprehensive Plan.
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GENERAL INFORMATION:

LOCATION: The proposed Southeast 345 kV Substation would be located along LES's existing transmission line, between 68th Street and Wittstruck Road to 120th Street and Pine Lake Road (see-attached map).

PURPOSE: The Planning Commission is required to review the proposed project for conformity with the Comprehensive Plan.

COMPREHENSIVE PLAN SPECIFICATIONS: The following goals, principles and strategies of the Comprehensive Plan are addressed by the Southeast 345 kV Substation project.

"By the year 2025, the LES peak load is projected to increase by about 440 megawatts (MW). LES will need to build new 115 and 345 kilovolt (kV) lines in growth areas in order to serve the new development. In addition, LES will need to acquire several new substation sites." (page F 82)

"As LES plans new transmission line routes, it will continue its policy of examining multiple options and conducting public forums on proposed routes in order to minimize the impact of new lines on residential and agricultural uses as much as feasible." (page F 82)

ANALYSIS:

1. This is a request to amend the City of Lincoln's Capital Budget. Typically, capital improvement projects are evaluated for conformity by the Planning Commission during May of each year, prior to City Council action on the Capital Budget in August. The Southeast 345 kV Substation Project was submitted for a Comprehensive Plan conformance review after the Fiscal Year 2004/05 Capital Budget was adopted. If approved, this project would be added to the Fiscal Year 2004/05 Capital Budget.
2. The 2025 Comprehensive Plan does not identify a future electric substation in southeast Lincoln along the existing LES transmission line. However, the Comprehensive Plan does not show any future LES substations. Determination of specific sites for future substations typically occurs after Council approval, and in conjunction with LES needs. This substation project is a result of Omaha Public Power District's ongoing effort to provide reliable electric service to customers and its electric partners.
3. This substation will connect a LES-owned 345kV transmission line to the proposed Omaha Public Power District (OPPD) transmission line. OPPD will construct a transmission line from its Nebraska City generating facility to the proposed switching substation. OPPD plans to begin public meetings on siting the transmission line in February 2005. The substation and transmission lines are scheduled for commercial operation in 2009.
4. The exact location of the proposed substation and transmission line have not yet been determined, but would be in proximity to the existing LES-owned 345 kV transmission line, located in southeast Lincoln between 68th Street and Wittstruck Road to 120th Street and Pine Lake Road. In general, the site may be between 40 and 80 acres in size. Substations constructed outside the City limits are not landscaped until the property is annexed and water service is available for maintenance of planting materials.
5. The development of the Southeast 345 kV Substation Project accomplishes several policies of the 2025 Comprehensive Plan. These include: 1) fulfilling regional and statewide needs with reliable electrical energy service, 2) improve the reliability of electric service for Lincoln, and 3) provides additional connections to LES to transact sales and purchases of power.
6. LES will participate in the construction of the substation, but will be reimbursed by OPPD for the full cost of site acquisition and construction. LES is responsible for siting and constructing the substation. LES plans to purchase land and start construction (i.e., grading, etc.) during the 2005 Fiscal Year (FY). The substation

project is scheduled to be completed by 2008. LES will own and maintain the substation after construction.

Below are the proposed estimated project costs and timing, indicated by LES.

	\$600,000	FY 2005
	<u>\$3,900,000</u>	<u>FY 2006 through 2008</u>
Project Cost	\$4,500,000	To be reimbursed by OPPD

7. LES requests this project be added to the City's approved FY 2004/05 Capital Budget. According to the City Charter, the City Council shall not appropriate any money in any budget for any capital improvement project unless and until the conformity or nonconformity of that project has been reported on by the Planning Department by a special report or in connection with the capital improvement programming process. This report provides this review and finding of Plan conformity.
8. LES should continue to coordinate with the Planning Department to ensure that the proposed project does not obstruct the Capitol View Corridors. The proposed substation site lies within a Capitol View Corridor, which is aligned along Nebraska Highway 2. These corridors are identified in the 2025 Comprehensive Plan, and regulated by Title 27 Lincoln Municipal Code, known as the Zoning Ordinance. The purpose of the Capitol View Corridors overlay district is to protect and maximize views of the Nebraska State Capitol Building.
9. To fulfill policies identified the Comprehensive Plan, LES should conduct public forums on proposed substation sites and transmission line routes in order to minimize the impact of new facilities on residential and agricultural uses.
10. A finding of conformity with the Comprehensive Plan is necessary before LES may seek City Council approval.

Prepared by:

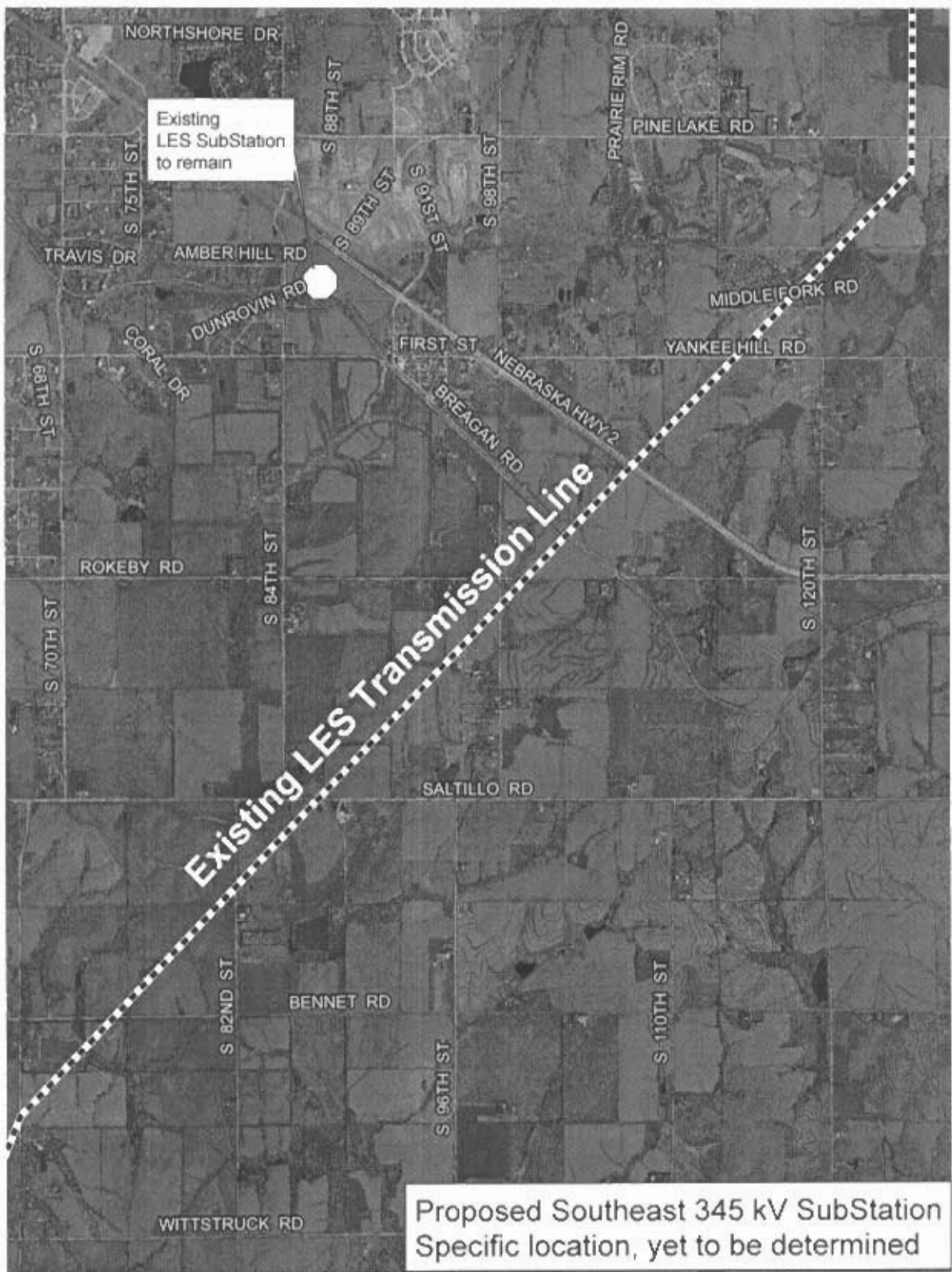
Duncan L. Ross, AICP, 441-7603, dross@lincoln.ne.gov

DATE: October 19, 2004

APPLICANT: Lincoln Electric System
Ronald Kratzer, Manager, System Planning
1040 'O' Street
Lincoln, NE 68501
Phone: 475-2411

Charlie Humble, Attorney
301 South 13th Street, Suite 400
Lincoln, NE 68508
Phone: 476-1000

CONTACT: Same as above



Comp. Plan Conformance #04009



2002 aerial

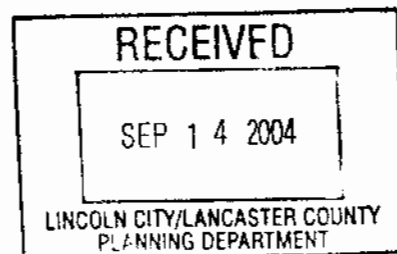
Lincoln City - Lancaster County Planning Dept

-LES-

L I N C O L N E L E C T R I C S Y S T E M

September 13, 2004

Marvin S. Krout, Director
Planning Department
555 South 10th St., Ste 213
Lincoln, NE 68508



Subject: Project Review for Conformity With Comprehensive Plan: Southeast 345kV Substation

Dear Marvin:

Omaha Public Power District (OPPD) is planning to expand its existing generating facilities at Nebraska City. As part of this generating project, OPPD plans to extend a 345,000 volt transmission line from the Nebraska City generating station to tie into the transmission grid near Lincoln. LES is planning a project to build a switching substation southeast of Lincoln to connect this proposed transmission line to our existing 345,000 volt line. We are requesting that the Planning Department review this substation project for conformity with the Comprehensive Plan. We also intend to put this project in our 2005 Budget where it will be reviewed by the City Council.

Purpose: The proposed switching substation is a part of an integrated plan to serve the State of Nebraska with reliable electrical energy. (See attached press release)

Location: This substation will be built at a location along LES' existing 345,000 volt transmission line southeast of Lincoln. The exact locations of OPPD's transmission line and the proposed substation have not yet been determined. The attached map shows approximate locations for the proposed facilities.

Timing: OPPD will begin acquiring transmission right-of-way in 2005. LES needs to purchase the site for the proposed substation in early 2005 so that OPPD can finish their transmission design and proceed with the ROW acquisition.

Benefits: The switching station will provide for connections from OPPD's proposed 345,000 volt line from Nebraska City to Lincoln. The City of Lincoln benefits directly from this project in having another major transmission connection that will improve the reliability of electric service for the City of Lincoln. The additional connection also provides another electrical path for LES to purchase and sell power.

Costs: The cost of the substation will be paid by OPPD as part of their new Nebraska City generation project.

OPPD is on a fast track to identify the location of the transmission line and begin right-of-way acquisition. We request that the Planning Department review this project's conformity with the Comprehensive Plan at your earliest convenience. Thank you for your cooperation in expediting this project.

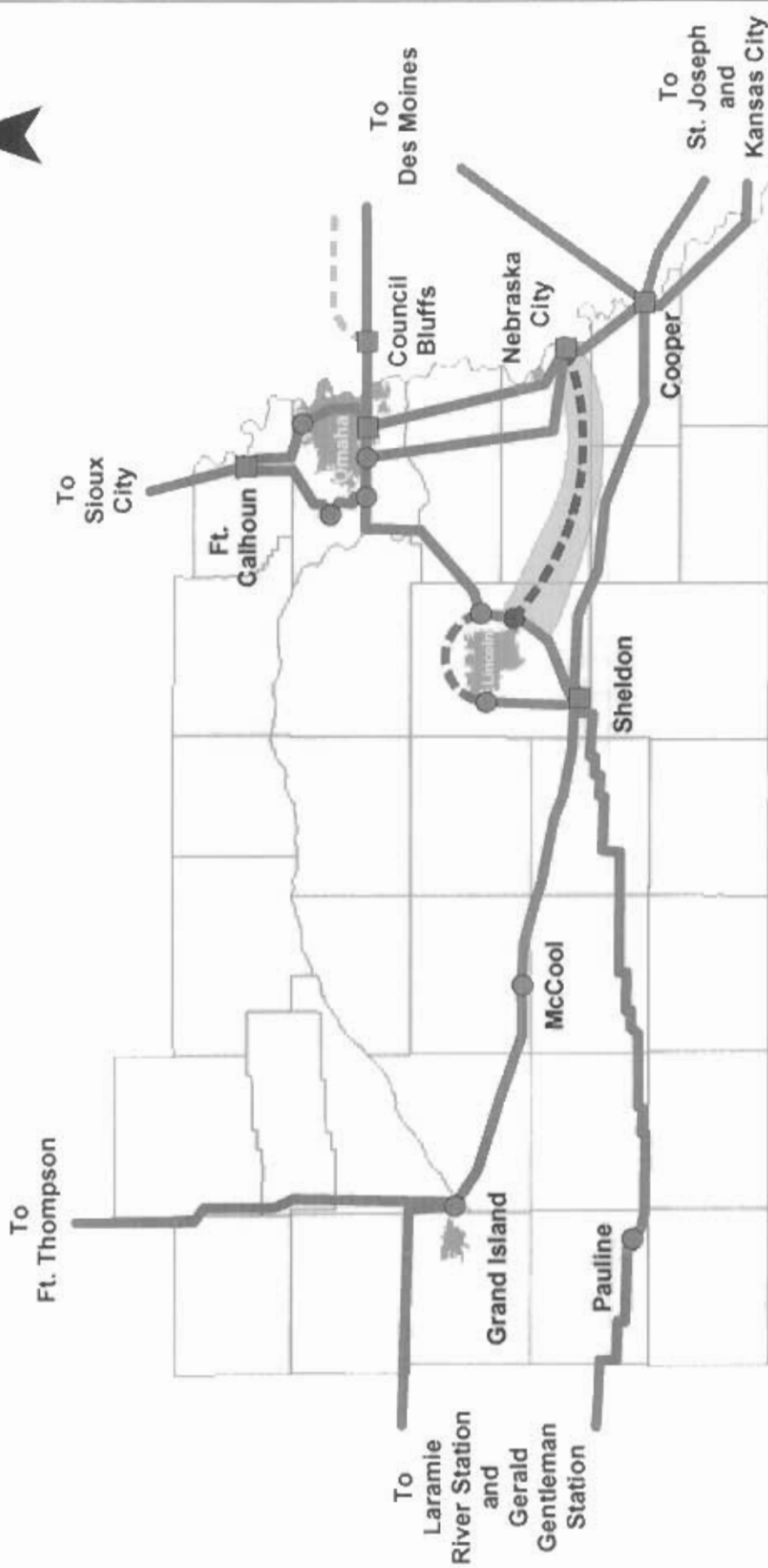
Sincerely,

A handwritten signature in dark ink, appearing to read "Ron B. Kratzer".

Ronald B. Kratzer, P.E.
Manager, System Planning

c: Terry Bundy
Dan Pudenz

Regional Transmission Diagram



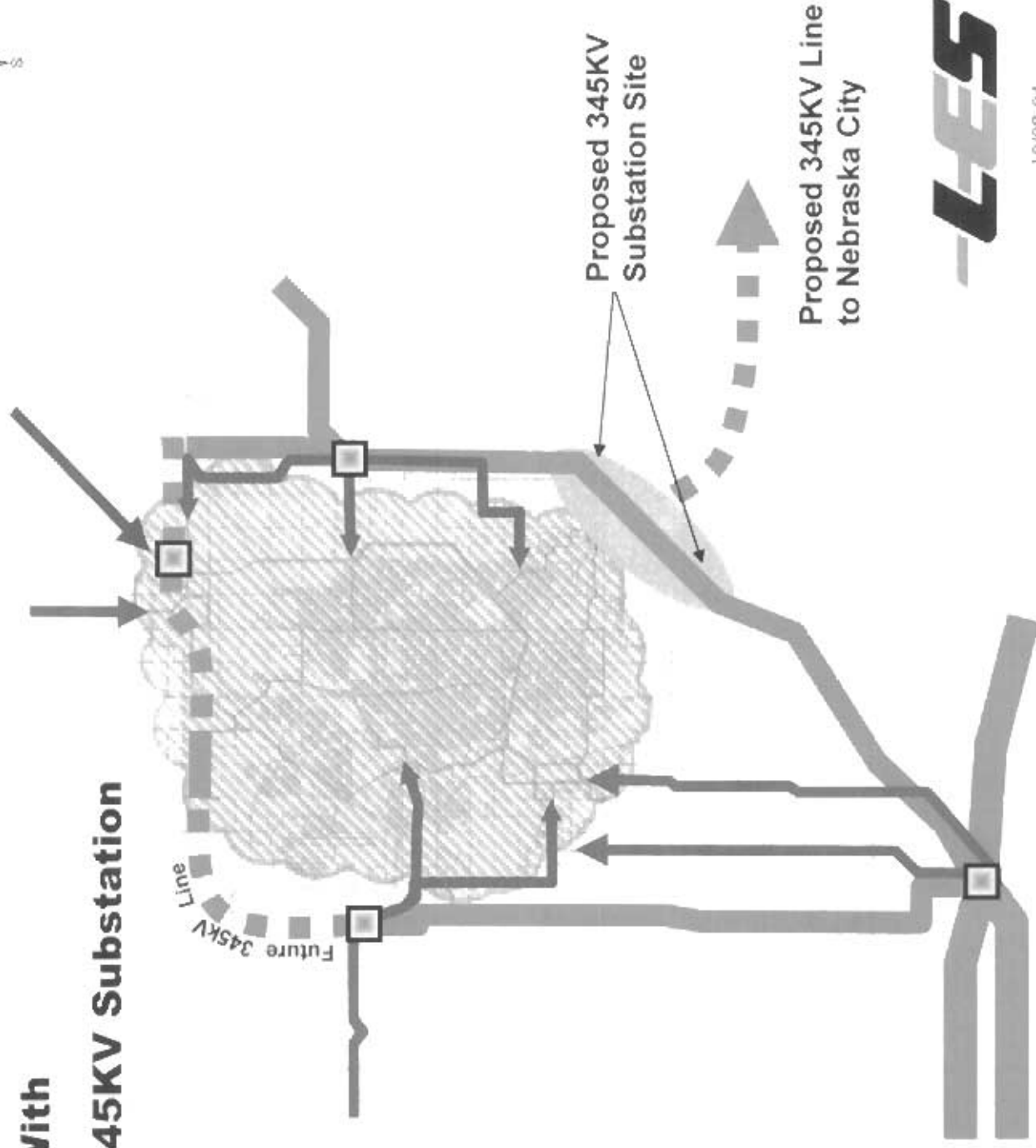
Legend

- Existing
- Line Corridor
- Additions Planned by Nebraska City Participants
- Additions Planned by Lincoln Electric System
- Additions Planned by Council Bluffs Participants



Lincoln Area Bulk Transmission With

Proposed SE 345KV Substation



10/08-04



Breaking News

NEWSPAPER OF THE CITY OF LINCOLN

PRESS RELEASE:

OPPD's Nebraska City Plant to Bring Second 345 kV Line into Lincoln. LES Administrator and CEO Terry Bundy and Omaha Public Power District (OPPD) CEO and President W. Gary Gates today announced a project that will bring an additional 345 kilovolt (kV) line into Lincoln. OPPD will begin construction late next year on an \$800 million power plant near Nebraska City that will have a 600 megawatt (MW) capacity. It is slated for commercial operation in 2009. The coal-fueled plant will be OPPD's second at the site. A \$40-\$60 million transmission line from Nebraska City No. 2 will connect with LES' 345 kV line southeast of Lincoln. The line will have the capacity to carry 1,200 MW. OPPD plans to begin public meetings on siting the transmission line in February 2005. LES is responsible for siting and constructing a new substation southeast of Lincoln that will connect the Nebraska City line to an existing LES-owned 345 kV line. In addition, LES will expedite construction of the transmission line loop on the north side of the city so it is completed by 2008 when the line from Nebraska City No. 2 is built. While LES is not participating in Nebraska City No. 2, we will benefit from another transmission line entering Lincoln at a different location. This will provide additional protection in case of events such as the May 22 tornado that hit Nebraska Public Power District's Sheldon Station and affected several transmission lines in that location. In addition, the line will give LES additional access to transact sales and purchases. Participants in Nebraska City No. 2 include the City of Grand Island, Nebraska City Utilities, Falls City Utilities, City of Independence (MO) Power & Light, Missouri Joint Municipal Electric Utility Commission and Central Minnesota Municipal Power Agency.